

Fair Political Practices Commission
MEMORANDUM

To: Chairman Randolph, Commissioners Blair, Downey, Karlan and Knox

From: Galena West, Counsel, Legal Division
Luisa Menchaca, General Counsel

Date: March 29, 2004

Subject: Pre-notice Discussion of Amendments to Termination of Committees
Regulation 18404.1

=====

I. Executive Summary

Candidate controlled committees organized for elective state office are required to terminate pursuant to regulation 18404.1. The question has been raised by several committees as to what a committee should do if it terminates and is then faced with a refund, fine or other necessary expenditure. Our current advice, in accordance with the regulations, prohibits the reopening of terminated committees for any purpose. This memorandum, and the proposed amendments to regulation 18404.1, present a procedure for committees to reopen for limited purposes. Also addressed are the threshold questions of whether termination should continue to be required and whether reopening of terminated committees¹ is even possible.

On March 10, 2004, an interested persons' meeting was held at the Commission's office where feedback was received from political attorneys, the San Diego Ethics Commission and the Secretary of State's office. While the majority of the attendees supported the idea of allowing the reopening of terminated committees, the Secretary of State's office opposed the idea because of recordkeeping and resources considerations. The majority of the attendees expressed no interest in extending the termination deadlines or extending the termination rules to include candidate-controlled ballot measure committees. Staff proposes that requiring termination of committees is still beneficial, and that allowing the reopening of terminated committees is a necessary step to solve the issues raised when requiring committees to terminate. Staff proposes the Commission notice for adoption amended regulation 18404.1 to assist in the implementation of section 84214² and regulation 18404 and permit committees to reopen.

¹ All further references to "committee" are references to a candidate controlled committee organized for elective state office, unless otherwise specified.

² All further statutory references are to the Government Codes, unless otherwise specified.

II. Background

Currently, a committee retains its status as a committee “until such time as that status is terminated pursuant to Section 84214.” (Government Code section 82013.) Government Code section 84214 states:

“Committees and candidates shall terminate their filing obligation pursuant to regulations adopted by the Commission which insure that a committee or candidate will have no activity which must be disclosed pursuant to this chapter subsequent to the termination. Such regulations shall not require the filing of any campaign statements other than those required by this chapter. In no case shall a committee which qualifies solely under subdivision (b) or (c) of Section 82013 be required to file any notice of its termination.”

Regulation 18404 sets forth the general procedures for termination. Regulation 18404.1 was adopted January 15, 2002, to interpret this section and to provide for the timely termination of campaign committees after the conclusion of a state candidate’s run for office or term of office. Specifically, it provides for mandatory termination of campaign committees after certain designated intervals which differ depending on whether or not the committee has “net debts outstanding” after the campaign. The regulation was adopted in the context of implementing Proposition 34 as a means of eventually eliminating pre-January 1, 2001, committees which were not subject to Proposition 34’s contribution limits and ensuring the closing of Proposition 34 committees with no debt outstanding.³

Over the past two years, this regulation has caused the mandatory termination of hundreds of committees. Some committees formed more than 15 years ago were required to terminate. A number of committees have applied to the Executive Director for time extensions under this regulation and the majority of those requests have been approved. Since the application of the termination rules, persons representing committees have been asking the Commission for advice as to what should be done when a refund is received, a fine must be paid, or audit costs are incurred after the committee has been terminated. This memorandum and regulatory amendments propose to answer those questions.

³ Recently, regulation 18531.6 was amended and regulation 18531.61 was adopted on an emergency basis, which subject pre-January 1, 2001, committees to the restrictions in section 85316, so that they may raise funds only to pay “net debts outstanding” after an election.

III. Overview of Termination and Reopening Threshold Issues

A. Should candidate controlled committees organized for elective state office continue to be required to terminate?

Although it can be argued that some of the reasons for termination may no longer exist since pre-Proposition 34 committees can now only raise money to pay “net debts outstanding” according to new regulation 18531.61, some means to phase out old committees is still desirable. For example, the current regulation forces candidates who are elected to an elective state office to terminate any controlled committees formed for local elections held concurrent with or prior to their election to state office. This prevents elected state officers subject to contribution limits from maintaining local committees which are not subject to the same limits. Also, at some point, perpetual committees no longer have a reason for continued existence. Once a candidate has left office or has failed in his or her bid for office, steps should be taken toward termination of that committee, such as the retiring of debt. The Federal Election Commission recognized this when it developed an administrative termination process by which a committee is terminated based on lack of activity over specified periods of time. (*See* 11 C.F.R. § 102.4.) Staff submits that valid reasons still exist for maintaining the current rules requiring committees to terminate.

However, requiring committees to terminate has greatly increased questions about the reopening of terminated committees.⁴ Since the regulation requires termination, causing closure of the campaign bank account, committees that receive a refund, for example, cannot simply file a report disclosing the refund or expenditure made.

B. Can new debts be incurred once a committee has terminated under regulation 18404?

Section 85316 provides that a committee cannot accept contributions after an election that exceed its “net debts outstanding” from that election. Regulation 18531.6(c) explains this requirement of section 85316 by stating the rule that, “[a] candidate for elective state office ... may use contributions accepted pursuant to Government Code section 85316 only for payment of net debts outstanding for an election.” According to regulation 18404(b)(2), in order to terminate, a committee must state that it “[h]as eliminated or has declared that it has no intention or ability to discharge all of its debts, loans received and other obligations.” Since regulation 18404 requires debt to be eliminated or declared by the committee as unable to be paid before termination, a committee no longer would have debt when it terminates. However, some post-termination activities would qualify as debts, such as audit expenses.

⁴ Prior to adoption of regulation 18404.1, questions regarding reopening committees arose. The advice requests mainly pertained to the mechanics of reopening, for example, whether the bank account should be reactivated. (*Warren* Advice Letter, No. A-00-093.)

In addition, section 85316 and regulation 18531.6(d),⁵ specifically include as “net debts outstanding”:

“(2) Any costs associated with complying with the post-election requirements of this Title and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries, and office supplies; and

“(3) The total amount of unpaid debts, loans and accrued expenditures incurred with respect to an election, less the sum of:

“(A) The total cash on hand available to pay those debts and obligations, including: currency; balances on deposit in banks, savings and loan institutions, and other depository institutions; traveler’s checks; certificates of deposit; treasury bills; and any other committee investments valued at fair market value; and

“(B) The total amounts owed to the candidate controlled committee in the form of credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount based on the collectibility of those credits, refunds, returns, or receivables.”

Since “net debts outstanding” covers both the “costs associated with complying with the post-election requirements of this Title” and the “total amount of unpaid debts, loans and accrued expenditures incurred with respect to an election,” costs of audits, enforcement actions, or litigation which arise from the election would be considered ordinary debts under regulation 18404.1, as proposed to be amended. However, the question of whether any fundraising could occur once a committee reopened would not be resolved by this regulation. The answer to that question would require a separate analysis under regulations 18531.6 and 18531.61.

IV. Proposed Amendments to Regulation 18404.1

Staff proposes the Commission notice for adoption amendments to regulation 18404.1 to assist in the implementation of section 84214 and regulation 18404 and allow for the reopening of committees. (Exhibit A.) Generally, the proposed amendments to regulation 18404.1 seek to include withdrawn candidates in the termination time frames and create a method for terminated committees to reopen in certain circumstances. Each

⁵ An identical definition of “net debts outstanding” can be found in regulation 18531.61. The reason for the distinction is that regulation 18531.6 applies to post-Proposition 34 committees and regulation 18531.61 applies to pre-Proposition 34 committees.

subdivision and its respective issue is discussed below in the order it appears in the draft regulation.

A. Subdivision (a) – Termination Rules for Pre-2001 Committees.

No changes are suggested for subdivision (a). This subdivision remains applicable to a few remaining committees and these committees should still terminate when their deadlines have been met. Although this subdivision uses the word “debts” rather than the phrase “net debts outstanding,” as stated above, committees which fall under this subdivision are subject to the limitations of regulation 18531.61 as of January 24, 2004. The date of termination has already been calculated by these committees using the existing language of the regulation and making a conforming change to the regulation could only cause confusion. However, this conforming change has been made throughout the remainder of the regulation where the committees have already applied “net debts outstanding.”

B. Subdivision (b) – Termination Rules for 2001 and Post-2001 Committees.

DECISION POINT 1 - Adding Rules for Withdrawn Candidates

Withdrawn candidates have no termination time limits within the current regulation. The regulation addresses candidates who are defeated, leave office or end the term of office for which the committee was formed. There is no provision directing withdrawn candidates to apply a certain time limit when terminating committees. This issue has arisen from committees in the form of telephone questions. Advice the Technical Assistance Division has provided is reflected in the language included in subdivisions (b)(1) and (b)(2). Withdrawn candidate committees would be subject to the same deadlines for termination as those applied to candidates who are defeated in an election (nine or 24 months, depending on net debts outstanding, from the date of the election).⁶ This is consistent with the manner in which withdrawn candidates are treated for other purposes, such as determining when their campaign funds become “surplus” under regulation 18951.

DECISION POINT 1 Recommendation: Staff recommends that the Commission accept the language proposed to provide termination timelines for withdrawn candidates consistent with current Commission advice.

C. Subdivision (c) – Campaign Bank Account

Currently, this subdivision mandates that campaign bank accounts are closed on or before termination of the candidate controlled committee, and no contributions are received after closure. In the proposed amended language, this prohibition on the receipt of contributions has been modified to allow receipt of contributions if the committee (and a campaign bank account) is reopened.

⁶ As stated earlier, the extension of these deadlines was proposed at the March 10, 2004, interested persons’ meeting. The public did not show any interest in such as change and pointed out that reopening of committees would remain an issue for currently terminated committees.

In addition, the subdivision retains the rule that all contributions must be returned to the contributors when received while a committee is closed. The amendment also permits the campaign bank account to be “reopened” along with the committee, but contains the limitation that contributions received by a committee reopened in accordance with this regulation are subjected to the limits applicable to the election for which the committee was originally formed. This limitation expressly states that a reopened committee will not have special rules regarding contribution limits but must follow the rules that were previously applicable to that committee and election. This is a necessary addition to avoid confusion when the limits are adjusted by the Commission pursuant to the regular cost of living adjustments and to clearly specify that the same contributions limits will be applicable. If committees are allowed to reopen, a campaign bank account would be necessary to avoid campaign funds from being placed in personal bank accounts as prohibited by sections 84307 and 85201. Staff recommends the language proposed for subdivision (c) to provide that terminated committees must reopen a campaign bank account to accept or expend funds, and to specify what contribution limits apply to those reopened committees.

D. Subdivision (d) – Local Committees Controlled by Candidates for Elective State Office

Only minor grammatical changes have been made to this subdivision. Committees formed for local elections held concurrently, or prior to the candidate’s election to state office must be terminated within 24 months of the candidate’s election to state office. The pre-January 1, 2001, language has been retained to avoid confusion, since some older committees have yet to terminate pursuant to this subdivision.

E. Subdivision (e) – Creditor Notice

Only minor grammatical changes have been made to this subdivision. Creditor notice would still be required without change.

F. Subdivisions (f) and (g) – Extension Requests and Appeal Procedure

One minor grammatical change has been made to these subdivisions. Requests for extensions beyond termination dates will continue to be permitted without change.

G. Subdivision (h) – Not Applicable to Local Committees

No changes have been made to this subdivision. Local committees only fall under the purview of the termination rules if a candidate for elective state office controls a local committee as defined under subdivision (d). This is consistent with the current regulation and Commission advice.

H. Subdivision (i) – Reopening of Terminated Committees

DECISION POINT 2 – Should terminated committees be allowed to reopen?

This decision point reaches the threshold issue of whether committees should be permitted to reopen. Staff submits that it is necessary for committees to reopen so that refunds and similar payments may be disclosed, consistent with the Political Reform Act (the “Act”), thereby causing expenditures to be made appropriately from campaign funds.

Currently, if candidates and committees receive refunds and similar payments, there is no method of acceptance and distribution consistent with the requirements of the Act. If funds were misused, no disclosure would occur if the committee was closed and no campaign bank account existed. An example of the problems faced by terminated committees occurred in the *Rosenmeier* Advice Letter, No. A-03-239. The candidate had terminated his committee and needed to pay for copies of checks provided in an audit of that committee. There is currently no procedure for his terminated committee to apply to pay this expense. We advised that the candidate, his treasurer or a third party should pay expenses related to acquiring copies of checks for the audit in compliance with the prohibition on reopening committees, since the amount in this case was de minimus and it was consistent with the purposes of the Act.⁷ We also told the committee to disclose the payments as nonmonetary contributions even though the committee was closed. This method allowed for disclosure of the payments at the very least. Arguably, this method of distribution is not consistent with the requirements of section 85201. Section 85201 only permits contributions and expenditures to be made through the campaign bank account. Permitting reopening of committees under specified circumstances addresses this problem by setting up a procedure to open a bank account and file an amendment to the Form 410, as discussed below.

Since the timelines for termination are shorter than the statute of limitations for audits, enforcement proceedings and litigation, the need to reopen committees to pay expenses related to these events exists. For example, the statutes of limitations for the various actions are as follows, although tolling can extend these time lines out for fraud and concealment:

Section 91000(c): “Prosecution for violation of this title must be commenced within four years after the date on which the violation occurred.”

Section 91000.5: “No administrative action ... alleging a violation of any of the provisions of this title shall be commenced more than five years after the date on which the violation occurred.” (Service of probable cause hearing notice constitutes commencement of administrative action.)

Section 91011(a): Chapter 4 violations: “No civil action ... shall be filed more than four years after an audit could begin” (Section 90000, et seq. sets these timelines.)

⁷ The Act purports to accomplish the full and truthful disclosure of all receipts and expenditures in election campaigns “in order that the voters may be fully informed and improper practices may be inhibited.” (Section 81002(a).)

Section 91011(b): All other violations: “No civil action ... shall be filed more than four years after the violation occurred.”

Allowing previously terminated committees to reopen to make these payments addresses practical considerations. At the interested persons’ meeting held on March 10, 2004,⁸ the representatives from the Secretary of State’s office opposed allowing committees to reopen. Their reasons included insufficient resources, staff and storage facilities at the Secretary of State’s office, the confusion the public may face trying to track committees which reopen and insufficient space on the committee Statement of Organization (Form 410) to identify a committee as reopened. (See attached Exhibit B.) They recommended, instead, that the committee be registered as a new committee. These application problems are genuine concerns with budget implications, but can all be addressed and overcome in-house.

The concern that the public will be confused if committees are allowed to reopen is valid. When a committee terminates, it files a Form 410 termination statement and there is no place on the existing form to indicate that a committee is being reopened. However, this issue may be resolved by requiring that the committee file an amended Form 410 using the same committee identification number and committee name. Allowing or requiring terminated committees to register as new committees would likely cause more confusion with regard to compliance with contribution limits and raises other issues related to using funds (e.g., a refund of candidate filing fees) in one committee to pay debts owed by another, terminated, committee under the one bank account rule in section 85201. If committees are simply prohibited from reopening, there may be no disclosure to the public of subsequent financial activity. Another safeguard for tracking reopened committees is that the committees must apply to the Executive Director to reopen, and will not be able to reopen without this approval.

Other comments from the meeting included the sentiment that candidate controlled ballot measure committees should not be included in the purview of this regulation. After a thorough discussion, Commission staff retained the current exclusion of these committees. All other comments, excluding those from the Secretary of State’s office, maintained that allowing committees to reopen was essential.

DECISION POINT 2 Recommendation: Staff recommends that the Commission accept the language proposed to provide terminated committees a method to reopen their committees for specific purposes.

⁸ Feedback was received from political attorneys, the San Diego Ethics Commission and the Secretary of State’s office. In addition, comments were provided through a letter submitted by the Bagatelos Law Firm expressing their desire that the process for receiving refunds (and reopening, if necessary) be uncomplicated.

Subdivision (1) – Refunds and Similar Payments

Under the proposed regulatory language, there are two categories of situations under which a terminated committee can apply to the Executive Director for reopening. The first is when the reopening is necessary to “receive a refund or similar payment not anticipated at the time of termination,” as discussed earlier. Under this subdivision, expenditure of the refund or similar payment will be made consistent with Government Code sections 89510 – 89519, as applicable. This permits the refund to be used for vehicle expenses and security systems, among other things, but only if the refund would not be limited by the surplus funds provisions of section 89519. Another permitted use of refunds or similar payments under this regulation as amended would be applying the payment received to “debts which the committee declared it had no intention or ability to discharge under 2 Cal. Code Regs. section 18404.” This allows committees to use unexpected monies to pay debts previously thought to be beyond their ability to pay. However, staff notes that this payment of old debt includes the repayment of loans made by the candidates themselves to the campaign. Staff recommends allowing the reopening of committees to receive refunds and similar payments.

Subdivision (2) – Fines and Similar Expenses

The other situation under which a terminated committee can apply to the Executive Director to reopen is when reopening is necessary “to receive payments and make expenditures” for any of a list of specified reasons. Those reasons include:

Subdivisions (A), (B) and (C) – “(A) To pay a fine as permitted under Government Code section 89513(c); (B) [t]o pay expenses incurred in connection with an audit of the committee under this title;” or “(C) [t]o pay litigation expenses as permitted under Government Code sections 89513 and 89514, other than expenses subject to Government Code section 85304 and 2 Cal. Code Regs. section 18530.4.” (Emphasis added.)

As explained above, audits, enforcement actions and litigation are subject to statutes of limitations that exceed the nine and 24 month time periods found in the current termination rules. For this reason, and the disparate treatment of candidates and treasurers with terminated committees, versus candidates and treasurers with open committees, staff recommends that these three categories be included as acceptable reasons to apply to reopen a committee.

DECISION POINT 3: Subdivision (D) – “To pay to the General Fund monies determined to be **laundered in violation of Government Code section 84301 and received through the committee.”**

According to section 85701, the amount of laundered contributions received by any candidate or committee must be paid to the General Fund of the state. This statute does not exempt a committee from repayment just because that committee has terminated before the laundering of contributions is known. If a committee was open when

laundered contributions were discovered, then that committee would be allowed to raise money (accept contributions) in order to repay the laundered funds if the committee has “net debts outstanding” under regulations 18531.6 or 18531.61.

Under the proposed regulatory language, terminated committees would be given this same opportunity through reopening and raising monies to repay the laundered funds to the General Fund. That committee would be required to determine if the laundered contributions owed qualify as “net debts outstanding” under regulations 18531.6 and 18531.61 before the reopening and collecting contributions under this regulation would be permissible. This is consistent with what an open committee would need to do in order to raise funds after an election to repay laundered funds. However, section 85701 is broadly written and may be determined to apply if the laundered contribution is discovered after termination by a policy decision that these types of funds qualify as “net debts outstanding” under regulations 18531.6 and 18531.61. This determination could be based on regulation 18531.6(d)(2), which states that “net debts outstanding” includes “[a]ny costs associated with complying with the post-election requirements of this Title....” If the Commission makes this policy decision, regulations 18531.6 and 18531.61 may need to be amended to clarify this application of the definition of “net debts outstanding.”

DECISION POINT 3 Recommendation: Staff recommends that this subdivision be included as an acceptable reason to reopen a committee since the statute mandates the repayment of the funds.

DECISION POINT 4: (E) To refund contributions received in excess of the contribution limits of Government Code sections 85301 and 85302.

It is a violation of the Act for a candidate or a committee to receive contributions above the contribution limits. (Sections 85301 - 85303.) In an enforcement action, the return of contributions in excess of the contribution limits may be considered a mitigating factor when determining the fine for a violation.

Without this criteria for reopening, a candidate may be allowed to mitigate his or her actions if the committee was open, yet not allowed if the committee was terminated. However, if the open committee had no “net debts outstanding,” the limitations of section 85316 and regulations 18531.6 and 18531.61 would not allow the open committee to raise funds to pay back excess contributions. Therefore, if the language is included here, it may be read to permit committees to reopen and raise money for this purpose by counting the excess contributions as “net debts outstanding.” This would be an inconsistent application of the net debt rules. This extension for reopening of terminated committees to mitigate fines appears to go beyond the purposes of allowing reopening by candidates who have incurred expenses they are required to pay, and creates a misapplication of the limitations created by section 85316.

DECISION POINT 4 Recommendation: Staff recommends that the Commission omit the language proposed to include refunding of contributions received in excess of contribution limits as an acceptable reason for reopening a committee.

DECISION POINT 5: “(F) Any other good cause evidenced that would further the disclosure requirements and contribution limits of this title.”

Any time an exclusive list of criteria is produced to remedy a problem, some unforeseen situation occurs that seems to have merit but does not qualify under the exclusive list. A catch-all provision allowing the committee to reopen for any other good cause evidenced and determined by the Executive Director which would further the disclosure requirements and contribution limits of the Act, would remove this outcome. This would probably not overburden the Executive Director as these occurrences would be rare in that the regulation would contain express language to cover all the typical reasons for reopening. In addition, there have been a limited number of “reopening” inquiries and a relatively small number of committees slated to terminate that have requested an extension under the current regulation. Also, the language of the catch-all provision would limit its uses to only good causes for reopening “that would further the disclosure requirements and contribution limits of this title.”

However, reopening of terminated committees could be read as an exception to the termination rules. As an exception, the rules should be construed narrowly and not include a catch-all that could drastically expand the number of applicants.

DECISION POINT 5 Recommendation: Staff recommends that the Commission accept the language proposed to provide a catch-all provision at the discretion of the Executive Director for unforeseen circumstances.

I. Subdivision (j) - Procedures for Reopening Terminated Committees

This subdivision, as discussed above, specifies how a committee would reopen. The committee would file the same form it used to terminate, the Form 410 (Statement of Organization), to declare the committee’s reopening with the Secretary of State along with written authorization from the Executive Director granting the reopening of the committee. (See attached Exhibit B.) Written authorization provides the Secretary of State’s office with instant authorization for the reopening of that terminated committee. The Form 410 would also be filed with the local filing officer so that all regulating bodies are informed of the reopening. This is the same procedure that is used in the termination of committees.

The next requirement is that the committee mark “Amendment” on the Form 410 and list the committee’s original identification number and name and include the word “Reopened” in parentheses after the committee name. This procedure is useful so that the committee name section of the Form 410 will specifically notify anyone who sees it that this is a reopened committee, and allow Form 410 to be used when reopening committees without modifying the form itself at this time. Requiring the use of the

original committee number will also help the tracking of the committee since only one committee will ever have that number, whereas a committee name could be reused after a committee is terminated. Staff recommends providing a procedure for the reopening of terminated committees. This language will help to avoid confusion on the part of the public and ease the administrative concerns of the proper and consistent filing of the reopening of terminated committees' forms.

J. Subdivision (k) – Standard Filing Requirements Apply

A reopened committee is subject to all the committee filing requirements of this title including those specified in subdivision (j) of this regulation. This subdivision clarifies that all committee filing requirements are still applicable to reopened committees for the duration of their reopening. Additionally, this subdivision brings attention to the fact that subdivision (j) outlines certain filing procedures that reopened committees should follow. Staff recommends these clear rules for reopened committees.

K. Subdivision (l) – Termination for Reopened Committees

A reopened committee must terminate when the reason the committee was approved to reopen has been completed. This subdivision avoids the problem of a reopened committee becoming an exception to the termination rules. With this language, committees will not need to attempt to apply the nine and 24-month rules to reopened committees. Also, this language explicitly states that reopened committees must be terminated while reminding the candidate or committee that the committee is open for a specific purpose only. Staff recommends the proposed termination deadline for reopened committees.

Overall Recommendation

Staff recommends that the Commission approve the proposed amendments to regulation 18404.1 as follows:

- **Subdivisions (a) and (d) – (h):** Staff recommends these minor, non-substantive changes.
- **Subdivision (b) – Decision Point 1:** Staff recommends that the Commission accept the language proposed in Decision Point 1 to provide termination timelines for withdrawn candidates consistent with current Commission advice.
- **Subdivision (c):** Staff recommends that the Commission accept the language proposed for subdivision (c) to provide that terminated committees must reopen a campaign bank account to accept or expend funds, and to specify what contribution limits apply to those reopened committees.
- **Subdivisions (i)(1) and (i)(2)(A) - (C) – Decision Point 2:** Staff recommends that the Commission accept the language proposed in decision point 2 so that subdivision (i) provides terminated committees a method to reopen their committees for specific purposes including subdivision (i)(1) pertaining to

refunds and subdivisions (i)(2)(A) – (C) pertaining to fines, audits and litigation expenses.

- **Subdivision (i)(2)(D) – Decision Point 3:** Staff recommends that decision point 3 for subdivision (i)(2)(D) be included as an acceptable reason to reopen a committee since the statute mandates the repayment of the funds.
- **Subdivision (i)(2)(E) – Decision Point 4:** Staff recommends that decision point 4 for subdivision (i)(2)(E) be omitted so that the language proposed to include refunding of contributions received in excess of contribution limits as an acceptable reason for reopening a committee not be included in the proposed amendments for regulation 18404.1.
- **Subdivision (i)(2)(F) – Decision Point 5:** Staff recommends that the Commission accept the language proposed in decision point 5 for subdivision (i)(2)(F) to provide a catch-all provision at the discretion of the Executive Director for unforeseen circumstances.
- **Subdivision (j):** Staff recommends that the Commission accept the language proposed for subdivision (j) to provide a procedure for the reopening of terminated committees to help to avoid confusion on the part of the public and ease the administrative concerns of the proper and consistent filing of the reopening of terminated committees' forms.
- **Subdivision (k):** Staff recommends that the Commission accept the language proposed for subdivision (k) to provide clear rules for reopened committees to follow.
- **Subdivision (l):** Finally, staff recommends that the Commission accept the language proposed for subdivision (l) to provide a termination deadline for reopened committees.

Attachments

Exhibit A - Proposed Amendments to Regulation 18404.1

Exhibit B – Sample Form 410 for Reopened Committee